DOCUMENT RESUME

ED 354 583 EA 024 552

AUTHOR Mulholland, Lori; Amsler, Mary
TITLE The Search for Choice in Public Education: The Emergence of Charter Schools.
INSTITUTION Far West Lab. for Educational Research and Development, San Francisco, Calif.
SPONS AGENCY Office of Educational Research and Improvement (ED), Washington, DC.
PUB DATE Oct 92
CONTRACT RP1002006
NOTE 25p.
AVAILABLE FROM Far West Laboratory for Educational Research and Development, 730 Harrision Street, San Francisco, CA 94107-1242.
PUB TYPE Information Analyses (070) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Elementary Secondary Education; *Public Education; Public Schools; *School Choice; School Personnel; *School Restructuring; School Support
IDENTIFIERS *Charter Schools; *Grant Maintained Schools (Great Britain); Minnesota

ABSTRACT

A major alternative in school choice is the concept of charter schools: public schools delivering public education and using public dollars, but organized by individuals or groups, not school boards, and operating legally as private, nonprofit organizations or cooperatives. This paper explores the charter school as another option in the search for choice. The development of the charter school concept for American schools is outlined. A definition of charter school distinguishes it from a regular school in a number of ways including its purpose, who organizes it, its accountability, and its funding. A discussion of current models of charter schools looks at design and implementation issues. The document deals briefly with the Minnesota experience, policy concerns, charter schools legislation in 10 other states (including 4 far western states), and local and federal responses to charter schools. British grant-maintained (GM) schools are outlined, and their differences with charter schools are explained. The politics of GM schools and the effects they have on British education are also described. (Contains 25 references.) (RR)

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The Search for Choice in Public Education: The Emergence of Charter Schools

October, 1992

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THE SEARCH FOR CHOICE IN PUBLIC EDUCATION: THE EMERGENCE OF CHARTER SCHOOLS

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October, 1992

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This document is supported by federal funds from the U.S. Department of Education, Office of Educational Research and Improvement, contract number RP91002006. Its contents do not necessarily reflect the views or policies of the Department of Education, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

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THE SEARCH FOR CHOICE IN PUBLIC EDUCATION: THE EMERGENCE OF CHARTER SCHOOLS

Today we often hear that school choice will improve education. This assertion assumes that introducing competition into our current public system will force schools to do better by holding out a consequence: the prospect of losing students. Choice proponents generally fall into one of two categories: public school only or public and private. "Public only" advocates say that open enrollment, within and between districts, is sufficient to make the difference. Those favoring "public and private" maintain that dramatic improvement of public schools will never occur as long as public schools have a monopoly on education. The counter-argument here is that a choice system involving all schools would mean directing public dollars to private entities. It would also mean creating vouchers, which many feel would further complicate an already cumbersome bureaucracy.

In the midst of this debate, are there other options? Ted Kolderie, an educational consultant in Minnesota, contends that there are. But to explore alternatives, he says, we need to rethink the perceived dichotomy between private and public schools. Currently, we define the character of the activity (education) by the legal character of the agent that provides it (private or public schools). A public agent signifies a public activity; a private agent means a private activity. But Kolderie postulates that in education we should focus on the activity, not the agent. Can we define the education provided as public? Is tuition charged? Is admission open or selective? Is it non-sectarian?

Education is one of the few arenas where this redefinition hasn't occurred. We are accustomed to thinking about public health programs delivered by private hospitals and doctors and public housing programs not requiring that each family live in the authority's project. By reconceptualizing public versus private in education, we can move beyond polarized arguments toward workable alternatives.

One major alternative is the concept of charter schools: public schools delivering public education and using public dollars, but organized by individuals or groups, not school boards, and operating legally as private, nonprofit organizations or cooperatives. Charter schools are organized around the concept of a charter or contract between the organizing group and the school's sponsor (designated oversight group). The charter informs the sponsor of such specifics as the educational plan, expected educational outcomes, and how outcomes will be measured. In exchange for this agreement of accountability, the school receives autonomy.

The purpose of this *White Paper* is to explore the charter school as another option in the search for choice. Specifically, we will address: 1) the development of the charter school concept, 2) a definition of charter schools, 3) current models of charter schools, 4) design and implementation issues, and 5) state and federal progress in developing charter schools as a means of providing choice.

The Birth of Charter Schools

The concept of charter schools can be traced back to a model described by Ray Budde in his book, *Education by Charter: Restructuring School Districts*, published by the Regional Laboratory for Educational Improvement of the Northeast & Islands in 1988. This book described a "school-within-a-school" which would involve an educational charter between a group of teachers and their school board.

Budde's vision of a charter grew out of his knowledge of organizational design and restructuring. He not only spelled out very specifically the steps involved in creating a charter, but also indicated the potential changes charter arrangements might cause in the structure of school districts. Among those changes were shifts in the roles of teachers and administrators. School boards would also operate differently; board members would become more aware of school programs and their purposes and thus would focus on costs and outcomes of specific programs. In addition, a continuous process of curriculum improvement and evaluation would be set in motion.

The charter schools concept made its way into the educational mainstream in the Spring of 1988, when Albert Shanker, President of the American Federal of Teachers (AFT), presented an adaptation of Budde's vision to the National Press Club in Washington, D.C. Shanker proposed a more literal definition of a "school-within-a-school" depicting a completely autonomous school operating within another school. The goal would be to eliminate the regulations that prevent innovative practices. Six or more teachers would submit a proposal to create a new school that would use a different approach to teaching children. Shanker expanded on the charter theme to include the creative involvement of parents and teacher unions in the development of procedures for school approval. He outlined the need for specific learning objectives as measured by performance-based forms of assessment and stressed the necessity to operate a school-within-a-school for a long enough time to make a difference: five to ten years. Shanker argued for voluntary participation on the part of teachers, since he stated that their resistance to forced change had ended every comprehensive reform effort so far.

Definition of Charter Schools

Since charter schools are new, it is not possible to define an archetype. However, charter schools can be distinguished from regular public schools in a number of ways:

1. **Purpose**: Charter schools should provide a truly different approach to schooling than what is already being offered in the public schools. They should be designed to result in improved student learning outcomes and may use alternative forms of measuring those outcomes. In Minnesota, charter schools are officially referred to as outcome-based because this purpose is central to their existence. Recognizing the different

educational needs of students, charter schools may focus on adopting innovative or different teaching methods than those currently used in other public schools such as promoting multi-age classrooms, for example. They are also designed to establish new forms of accountability.

2. **Organizer**: Charter schools are not organized by state or local school boards, but by individuals or groups, which may include: teachers, parents, non-profit social service agencies, museums, universities, non-profit organizations, or hospitals.

3. **Sponsor**: Typically, a group presents its plan for a school to a designated governing body for approval: a state department of education, a local school board, or a special board organized to oversee the charter schools. In many states, proposed legislation includes more than one potential sponsor or a provision that an alternate governing body will handle appeals when a proposal has been denied. This design minimizes problems that result when the original sponsor turns down a proposal for a reason other than its quality. A charter is established for a set period of time, usually between three to five years, at the end of which it must either be renewed or ended.

4. **Charter School Contract**: Because their purpose is to be an alternative to existing public schools, and because charter schools are held accountable for their program, a proposal for a charter school must contain details about the methods of instruction to be used, the forms of assessments, and how the school will comply with stated requirements.

5. **School Autonomy**: In the true spirit of decentralization, charter schools make all their own instructional and administrative decisions. Site-based management eliminates the problems districts encounter as they grapple with giving schools the decision-making responsibilities, but remaining legally liable for decisions made. Legislation usually declares that charter schools are free from all normal district and state regulations. The empowered staff, freed from regulations is able to focus efforts on developing educational programs that truly meet students' needs.

6. **Accountability**: A charter school is a public school and as such is accountable to its sponsor, which can revoke or refuse to renew the charter if the school fails to meet its student outcome objectives. If the sponsor is a school district, then the charter school is accountable to the district, not as a regular school, but as a charter school subject to rules governing charter schools.

7. **School Governance**: Decision making at a charter school is the responsibility of the school's board of directors or school governance council. This is an elected board and is composed of parents, teachers,

staff and possibly community members. All instructional and non-instructional decisions regarding the school are made on site. This managerial arrangement is designed to empower teachers and parents. Charter proponents argue that the cooperative arrangements between school personnel and parents will ensure that the focus of decision making is always on meeting students' rather than adult needs.

8. **Funding**: Generally, charter schools receive funding directly from the state as do school districts, usually for the average amount spent in the state per student. Money for specific student needs, such as special education, is the responsibility of the district in which the student resides.

9. **Admissions**: Charter schools can be designated for a certain grade level, age, or specific population, such as at-risk students. However, just like other public schools, charter schools cannot choose their students for specific qualities, such as ability or aptitude. Nor can they discriminate in other ways.

Implementation Concerns: The Minnesota Experience

It is not surprising that Minnesota is the first state to consider charter schools. A post-secondary option that allows students in grades 11 and 12 to finish high school in college was enacted in Minnesota in 1985, foreshadowing the idea that other schools not under school district control could offer public education. By 1988 Minnesota had an interdistrict choice plan in place. Minnesota is also familiar with the concept of individuals or organizations other than school boards creating schools. Schools set up and operated by non-profit social service agencies have been operating under contract to the Minneapolis School District since the late 1960s. In the Fall of 1990, as a third attempt to pass charter schools legislation was underway the state's then Commissioner of Education, Tom Nelson, drafted a measure that developed the idea more fully. Senator Reichgott reworked Nelson's draft and Representative Kelso introduced a companion measure in the House during the 1991 legislative session. Kelso did not press for a vote in the House because of strong opposition, especially from teacher unions. But the Senate education bill brought the measure to conference where it was approved after compromises over three issues: 1) Charter schools would be a pilot project of sorts, and a total of eight schools could be developed in the state; 2) Only certified téachers could plan and open charter schools, though other individuals and groups can be involved in the design process; and 3) Local school boards would be the only groups able to sponsor a charter school. A given school district could sponsor a maximum of two charter schools. The compromise version survived rejection efforts in the House. It was then approved by a wide margin in the Senate and signed into law by the governor.

Minnesota's ways of organizing, planning and approving charter schools are not the only options available. However, as the first state to legislate charter schools, Minnesota bears examination in more detail.

The Sponsor. In Minnesota, a school board may sponsor one or more licensed teachers to form and operate a charter school. This can be a new school, an existing private school converted to charter status, or a school within an existing school. The teachers must give the sponsor a three- to five-page letter of intent. The letter must include a program description that addresses one or more of the six purposes described in the charter schools legislation: 1) to improve individual learning; 2) to increase learning opportunities for students; 3) to use different and innovative teaching methods; 4) to create different and innovative forms of measuring learning outcomes; 5) to establish new forms of accountability for schools; or 6) to create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site. The letter also must include specific learning outcomes students will achieve and how they will be measured; a plan for school management and administration; methods of financial and student accounting; age/grade level of students to be served; types and amounts of insurance coverage; admission policies and procedures, and length of school year.

If the letter of intent is acceptable to the sponsoring school board, it goes to the State Board of Education with a letter from the sponsor detailing terms and conditions under which it would sponsor the school and the minutes of the school board meeting where approval was granted. If the State Board of Education approves the plan, the school board can enter into a contract with the board of directors of the charter school.

The Contract. In addition to the criteria included in the letter of intent, a contract must contain information regarding the means of compliance on the part of the school for a number of requirements. Charter schools must comply with the same health and safety standards as school districts. Schools must be located in Minnesota, with the district and city of the school location specified. They must be nonsectarian in every aspect of their operation and must not be affiliated in any way with a sectarian school or religious institution. The schools must not charge tuition and must comply with the Pupil Fair Dismissal Act. The Department of Education, state auditor, or legislative auditor may conduct financial, program, or compliance audits, just as is done at school districts. Contracts must provide assurance that the charter schools will comply with all human rights and non-discrimination laws. Finally, the contracts must indicate the term of the charter, which can be up to three years.

Structure. Charter schools are legal entities, organized as either cooperatives or non-profit corporations. In most cases, they are not to be restrained by the statutes and rules that govern local school boards and school districts; they need only comply with those rules that apply to charter schools. Failure to meet stated achievement outcomes, standards of financial management, or any other violation of the law results in termination of the contract. Charter schools have to renew their charter contracts to continue operating at the end of each three year period.

Governance. A temporary board of directors must be specified by the organizers of the charter school to write the contract, hire personnel, and write the by-laws which govern the election of a permanent board of directors of the school. The permanent board of directors is elected by the parents of students enrolled in the charter school and by the staff at the school. The majority on the board must be teachers. Board responsibilities encompass all aspects of managing and administering the school: contracting of services, budgeting, operations, hiring and firing personnel, and of course, curriculum. The board of directors can sue and be sued. The sponsoring school district, its members and employees, and the state board and its members in their official capacities are all immune from civil and criminal liability related to activities involving the outcome-based charter schools they sponsor or approve.

Admissions Policy. Admission of students in charter schools can be limited to a specific age or grade level or to a specific student population, such as at-risk students or students who will benefit from the teaching methods, philosophy or subject focus. Charter schools can also limit admissions to those students who live in a specific geographic area. The restriction placed on charter schools regarding admissions is that they cannot choose among applicants for any reason such as aptitude or intelligence. All eligible students who submit an application on time must be admitted, space permitting.

Transportation. Transportation of students is to be handled in the same manner as it has been in the Minnesota open enrollment program. The district in which the charter school is located is responsible for the transportation of the students who reside within its borders and will transport students residing outside the district from the district's border to the charter school.

Teacher Requirements. Teachers wishing to teach in a charter school must be granted a leave of absence from the school district for the period of time requested by the teacher. Teachers taking a leave of absence from a school district will continue to aggregate benefits and credits in the teachers' retirement association by continuing to pay the employer and employee contributions during the leave of absence.

The First Takers. Over a dozen charter school proposals were reviewed by local school boards in Minnesota during the Spring and Summer of 1992. A wide variety of school plans ranging in teaching philosophy, teaching methods, student populations served, and curriculum emphases were proposed. Most proposals were from existing schools wishing to convert to charter status. At the present time, three of the total eight schools have been approved, two with Fall 1992 start dates.

A few proposals focused on different methods of teaching. For example, the formerly private Winona Montessori school, serving K-3 students, has been approved as a charter school. Two other Montessori schools were also considered. A technology-based school using learning stations was proposed by a teacher already running her program in two classes within a school. This charter proposal was denied

by the district, which instead offered to set up the program as a school within an existing district school.

A number of proposals offered an alternative curriculum. The Toivola-Meadowlands K-12 school was approved for Fall of 1992, despite being previously slated for closure by its district. Modeled after magnet schools, it will emphasize reading outcomes, foreign languages, and integrated-subjects classes. One of the few entirely new schools to be proposed so far offered a curriculum emphasizing peace and justice, using experiential learning, case studies and self-directed learning. This proposal was denied by its school board. The superintendent cited both philosophical and design related concerns with the proposed school. Primary among his concerns was the idea of an independent governing board made up of staff, teachers and parents, with no community representation making all the school's decisions. His other objection was related to the probable reduction of student diversity, given the specific curriculum and teaching approach and the issue of equal access to education. One charter school committee in rural Minnesota developed a farming and agribusiness emphasis with parents providing content expertise. Another school threatened with closure also opted to revamp its curriculum, emphasizing math, science and communications technology. These last two proposals were denied by their home districts because they were to be closed as part of the districts' consolidation efforts to save district resources.

Other proposals focused on specific student populations. For example, The City Academy in St. Paul was approved in June, 1992 to serve students ages 13 to 19 who have dropped out of school, have been incarcerated or in treatment facilities, and who do not excel in the other public or alternative schools. The Mounds View area Learning Center, which already serves at-risk students from numerous districts, proposed to convert to charter status. The school board that heard the proposal did not agree that student needs would be better served by converting the school to charter status. Another proposal geared toward the needs of students with reading problems was also denied. A proposed school for deaf students will probably be approved by the State Board to open in Fall, 1993.

Policy Concerns

Those who have been involved in the legislation design, planning, and implementation of the charter schools program know that charter schools have been far from trouble-free. A number of policy and practical concerns have arisen.

District Reluctance. Local school districts are reluctant to approve charter schools for mainstream students. Districts have nothing to gain, and money and students to lose if they approve charter schools. They are also reluctant to take the money and students out of other school districts by sponsoring schools outside of their boundaries. There are no incentives for districts to approve alternative schools for these students.

Many policymakers believe that the sponsorship issue will always be an obstacle to the successful development of schools if it is not rethought. Either sponsorship incentives must be provided to districts, or some other sponsoring agent should be appointed. A few states considering charter schools have built alternative sponsors into their legislation to avoid this problem, such as a state board of education or an independent board created just to sponsor and oversee charter schools.

Teacher Concerns. How teachers will be affected by charter schools cannot be known at this time. However, their experiences thus far are revealing. For example, in some instances, when teachers have disclosed plans to propose a school, working relationships have suffered. Plans to develop a charter school can be met with resentment from other faculty and administration. In existing schools considering a charter proposal, faculty can become sharply divided over the benefits and risks of a specific proposal or even the merits of attaining charter status.

It is not clear what will happen to teacher salaries in the charter schools. They may be lowered to offset lower overall funds and the costs of a charter school start up. Some wonder whether teachers can increase their pay if the school can lower non-instructional costs. Under a school organized as a non-profit enterprise this would not be possible. However, there is now some discussion about other ways in which teachers could organize within the school's organization, such as a professional partnership that would contract with the charter school.

A final concern involves job security. Minnesota legislation gives teachers the right to receive a leave of absence. If teachers should choose to return at a later date, others within the district will potentially be laid off. Similarly, if charter schools take enough students from an existing district, recently hired staff will lose jobs. It has been suggested, however, that layoffs may be minimal due to the natural attrition of teachers within a district.

Uncertainties aside, few other avenues in public education offer teachers the kind of empowerment and professional opportunities that charter schools will. The fact that teachers would be willing to involve themselves in these schools with many unknowns indicates how much they desire alternatives to the current structure of schools.

Organized Opposition. Teacher unions have provided the strongest opposition to charter schools. They have been successful in lobbying efforts to restrict formation of a school to only certified teachers. The implications of charter schools are threatening to teacher organizations, which have long depended on the structure of the public school system. When teachers are willing to work for less pay in a charter school, unions bargaining efforts are thwarted. But unions insist that collective bargaining is not their major concern. Union officials state that their main objection to charter schools is the idea of public money going to what they believe are actually private schools.

Financing and Economies of Scale. Opponents argue that because schools will have to contract for their own services, they will lose the "economies of scale" that favor school districts. Small schools will find it especially hard to contract for the many services they want to offer. On the other hand, the schools will be freed of the public bidding process and other regulations and might be able to negotiate more cost effective agreements. They are also free to employ certain staff employees part-time or develop other arrangements to meet their needs.

Chartering to Avoid School Closure. Many states have policies of district consolidation which has forced the closure of many small rural schools. In Minnesota, three schools threatened with closure presented charter proposals in 1992, two of which were denied. Advocates note that teachers and parents in rural areas are exercising their choice and believe strongly in keeping their community schools alive. Opponents see charter schools in rural areas as a threat to the economic health of school districts.

Admission Policies. Minnesota's charter school admission policy states that all students who submit a timely application must be admitted. There can be no selection based on student characteristics. However, schools may limit admission to students with an affinity or aptitude for a teaching method, learning philosophy or subject emphasis. The words "affinity" and "aptitude" seem to contradict the notion of limiting students on the basis of ability.

Another related issue is that of achieving racial balance, which could be limited in schools with programs that attract a very racially homogenous student body. Charter school supporters state that sponsors of charter schools will anticipate these problems and proposals will have to include plans to seek out other students to increase diversity. Minnesota law, for example, reads that the school must reflect the racial and ethnic diversity of the area in which it is located. But charter schools are not magnet schools. Their purpose is not to ensure racial integration, but to provide choices in public education.

Equal Access to Education. Some fear that the nature of the vast differences in charter schools' philosophies of education, curriculum and teaching methods, will result in decreased student diversity and along with it, the understanding and appreciation of diversity. Related to this is the belief that custom-made charter schools will turn out students who once would have been united by their public education but instead, having been educated very differently, do not subscribe to the same American values.

Charter Schools Legislation in Other States

Pennsylvania. This state's legislature narrowly defeated a voucher bill in 1991. Currently the legislature is co-sponsoring a six-month study of school district governance, equity in funding, and equity in access to educational opportunities.

Options in school choice, including charter schools, will be examined and discussed. The preliminary draft of a charter schools bill will be introduced in Fall 1992. Among its potential features would be organization of schools by teachers, parents, non-profit agencies, universities, or private schools. Charter schools could operate within other schools or as separate entities.

Connecticut. In 1991, the legislature adopted a pilot program designed to encourage school districts to try innovative educational programs within their schools. The district could apply to the State Board of Education on behalf of a school, to waive any state requirements that were impeding their development of innovative practices. Since no money was attached to this act, response has been limited.

Massachusetts. House Bill 5750 is currently under consideration. The chairs of the Senate and House Education committees drafted a comprehensive educational reform bill, which contains a charter schools component. The State Board of Education would be the sponsoring agent. Proposals would be accepted from not only teachers, but parents, colleges, universities and museums. Private and parochial schools would not be eligible to attain charter status. Schools would not automatically be free of district and state regulations, but could seek waivers from state rules. Due to disputes over financing, the bill is unlikely to come to a vote in Fall 1992.

Michigan. Governor Engler proposed a charter schools bill in 1991 which was put into the K-12 appropriations bill and later removed. This year it has been reintroduced in two identical bills within both the House and Senate. The State Board of Education and the Superintendent of Public Instruction would sponsor not more than one charter school per district; a total of 520 in the state. Schools could be organized by a city, village or township, or a charter school non-profit corporation in addition to other individuals and groups permitted to form a school. These bills will be taken up in the Fall, but there is strong opposition to them, mainly by educational lobbyists who do not want to see money drained from the existing public school system.

Tennessee. The legislature passed the Education Improvement Act in the Spring of 1992. This bill included a provision for funding "break-the-mold" schools, pending federal implementation of such schools. Charter schools would quality for this funding. The act specified that the break-the-mold schools would not be subject to the rules of either the State Board of Education or the local Board of Education, and would be approved by the State Commissioner of Education.

Colorado. The legislature considered HB 92-1299 during the 1992 legislative session. The bill called for the creation of an independent public school district. Following the example of the British grant-maintained schools, existing Colorado schools could "opt out" of their school district to be governed by the Colorado Independent Public School District. Unlike the British schools, the Colorado plan included provisions for new schools or parts of schools to become governed by the Independent District as well. As with other proposals, the goal of creating this independent district would be to eliminate current rules and restrictions of school

districts and the State Board that impede innovation in education. The legislation passed in the House, but was defeated in the Senate during the 1992 session.

Charter Schools in the Far West Region

In **Arizona** Governor Symington's Task Force on Educational Reform released a report of recommendations for school reform in December 1991. Included in that report was a list of options that could be implemented to increase educational choices of parents and students. Among these was a recommendation for the development of "New Arizona Schools" which were to include magnet, charter, vocational-technological and/or other alternative public schools.

The passage of the recommendations from the Governor's Task Force has not been smooth, given the comprehensiveness of plans and the six-month time frame for initial development. Late in the 1992 legislative session, efforts were made to simplify the proposed reform package. The New Arizona Schools and education vouchers were among the many pieces to be removed from the package. At this time, it is unclear whether charter schools will be reintroduced in the 1993 legislative session.

California became the second state to allow charter schools when Governor Wilson signed into law SB 1448 in September, 1992. Legislators responded to a voter initiative, which included a provision for vouchers, with two separate charter school bills during the last legislative session. Although the bills presented different views of charter schools, they were alike in a few important ways. Both bills prohibited private schools from converting to public schools. Both specified that student outcome measures must be performance-based. Both bills called for schools to achieve a racial and ethnic balance reflecting the composition of the district. Although the process would differ, both contained an appeal process for schools denied a charter. Both proposals designate the lifespan of a charter to be five years.

Differences between the two bills, however, were quite clear. Of the two, SB 1448 authorized by Senator Gary Hart, presented a less compromising vision of charter schools. Under this bill a total of 100 charter schools could be created, no more than 10 per school district. The process for attaining a charter would begin with an individual or group circulating a petition to establish a school, which could be co-sponsored by a private non-profit agency. The petition would have to be signed by not less than 10% of teachers employed by the school district, or not less than 50% of the teachers currently employed at one school in the district. The petition would then be submitted to the school district governing board for review. The governing board would hold public hearings, consider parental and employee input, and either grant or deny the charter. Teachers at a charter school would not necessarily need to be certified. They would be employees of the charter school, not the district. Enrollment would be open to students from outside the district in which the charter school would be located.

The second bill, AB 2585 sponsored by Assemblymember Delaine Eastin took a more conservative approach. This proposal also would have created a total of 100 charter schools. Converting existing schools to charter status would require support of 50% of the school's teachers and 50% of its parents. A charter proposal would first have to be accepted by the State Superintendent of Instruction. If approved it would move on to the local school board for approval. Sixty percent of the charters would be granted to low-performing schools. Teachers at charter schools would be certified, would be employees of the school district and would be subject to collective bargaining. Under this bill, a charter school would be accessible only to students residing within the district in which it is located.

Nevada legislators are not discussing charter schools. A public school choice bill (AB 761) was developed in the 1991 session, but never left the Assembly education committee. An interim study was completed in June 1992, which examined the effects that choice would likely have on elementary and secondary education in Nevada. No recommendations were made about open enrollment as the committee was assured by the State Superintendent of Education that school districts already permit interdistrict and intradistrict open enrollment. The committee concluded that a voucher system would be unrealistic in Nevada.

The **Utah** legislature is not currently discussing charter schools, and there are no plans to do so in the next legislative sessions. However, four out of 40 of school districts in Utah are operating school-within-a-school programs, for subject emphasis. These programs, which are mostly limited to the high school level, are not autonomous, and students take all other classes in the regular school. However, students interested in the subject emphasis offered at the school may choose to take additional classes within the program.

The Local Response to Charter Schools

While state legislatures weigh the merits and risks of charter schools, many local education authorities are already implementing changes which combine teacher and parent empowerment, decentralization and other characteristics of the charter schools idea. For example, the Detroit Public Schools have developed their own plan which parallels many of the features of charter schools and is designed to achieve results similar to those of charter schools. It is called the Detroit Public Schools Empowerment Plan. Detroit schools under this plan receive 92% of their allotted budget, are free from former district rules, contract their own services and develop their own education programs. Within the School District of Philadelphia, a charter (schools-within-a-school) program has been developed in the high schools to increase student outcomes through the design of separate academies within the larger high schools. Other cities which are actively developing alternatives include Chicago, Milwaukee, and Baltimore.

Charter Schools and the Federal Response

January, 1992 marked the introduction of charter schools legislation to the United States Congress. Senator Durenberger, a proponent of charter schools in Minnesota, introduced in the Senate an amendment to S.2, the Neighborhood School Improvement Act, sponsored by Senator Kennedy. The main purpose of this act is to provide a 10 year authorization to create the conditions conducive to reform at the school level, which will enable the attainment of the six National Education Goals defined in the President's America 2000 initiative, but excluding any private school vouchers. The amendments to S.2 allow states to use a portion of the block grants to establish new public schools and "New American Schools", different from those to be developed by the President's New American Schools Development Corporation, both of which include charter schools. Congressman David McCurdy of Oklahoma worked with Senator Durenberger on an amendment to HR 4323, the House counterpart to S.2. The bill was approved by the House, but the Senate failed to cut off debate on the measure, eliminating the possibility of a vote before the Congress recessed in early October. Its supporters will have to wait for the 1993 legislative session for possible re-introduction.

British Grant-Maintained Schools

Internationally, only one educational choice system appears comparable to the American charter schools idea: the British grant-maintained (GM) schools. Like charter schools grant-maintained or "opt out" schools provide food for thought we debate new choices within the public education system. Two of the strongest proponents of a market choice system are John Chubb and Terry Moe who in their book entitled, A Lesson in School Reform from Great Britain argue that the experiences of the British grant maintained schools can teach American educators many valuable lessons concerning the potential for success in a system-wide choice system. Critics argue that this British reform has created more publicity than genuine change, especially in the educational options available to poor, urban children. What follows is a brief description of what GM schools are, how they are organized, and what perceptions exist concerning their strengths and weaknesses.

GM schools were created under the Thatcher government's 1988 Education Reform Act. As described the Act, grant-maintained status gives schools the right to "opt out" from under the control of their Local Education Authorities, (LEA) the equivalent of American school districts, to manage their own decisions and receive their funding directly from the Department for Education (DFE) (formerly the Department of Education and Science).

Governance. To achieve grant-maintained status, an existing school's governing board and the parents of children attending the school must first vote to opt out. A proposal is then submitted for review by the Education Secretary. Proposals must include the names of those who will serve on the future GM governing board, which

must be composed of five parents, one or two teachers, the headteacher, and community members. Also included must be the requested date of school implementation, arrangements for student admission policy, how needs of special education students will be met, arrangements for the induction of new teachers, plans for professional development and training of teachers, and finally, a management plan for the school.

Finance. Schools that are approved for GM status receive funding from several different Department for Education grants. Under the DFE, grant-maintained schools receive an annual maintenance grant to cover the day-to-day operations costs. Included in this grant is the per pupil amount that previously went to the Local Education Authority for administrative and support services, amounting to about 15 percent of direct costs for the schools. Transition grants also are available to help with the set-up of the school, and GM schools may bid for capital grants to finance the purchase of capital equipment and building work.

Organization. Some characteristics of the grant-maintained system closely resemble those of the charter schools. Like charter schools, "opt out" schools must contract for their own services, hire their own staffs, and manage their own finances. In fact, the financial and managerial autonomy of the GM school decisions are managed by each school's governing board. Like American public schools, the British GM schools are also tuition free.

As with charter schools, not all schools that apply for grant-maintained status are approved. Many schools that apply are rejected by the DFE for not being viable, mostly because of small pupil numbers or being previously earmarked for closure.

Differences Between Grant-Maintained and Charter Schools

Although GM and charter schools are similar, differences between the two concepts cannot be dismissed. Perhaps the biggest difference can be seen by looking at requirements for gaining GM versus charter status. Aside from having a management plan for the school, there is no requirement that a school present a plan for teaching methods to be used, techniques to improve education at the school, or anything to do with the curriculum. This is probably because Britain's national curriculum is strictly adhered to. Innovation that would interfere with the national curriculum would certainly not be welcomed. In contrast, the charter schools' requirement of a plan including teaching and learning approaches is a key aspect of the charter proposal, since proponents see it as a prime means of prompting innovation. The British education system is leaning toward more curriculum and teaching choices, hoever. Plans are underway to introduce schools that specialize in a subject area, such as technology or foreign languages.

Grant-maintained schools do not operate for a specified period of time as charter schools do. Nor do they have to seek renewal to stay open. The GM schools

are accountable to parents and the Department of Education, but can look very similar in operation and administration to the Local Education Authority controlled schools. In fact, all GM schools were originally LEA schools. Within GM policy, there has been no provision for new GM schools to be created. Currently, all new schools are created by the LEAs, but this will change.

GM schools also keep the same admissions policy they had while under LEA control. In the British system, if a school is comprehensive, it must admit children across the full range of ability. Grammar schools are selective and under GM status they continue to select students by LEA criteria. A selective admissions policy runs contrary to American ideals for public education, but such practice is very much part of the British system.

The Politics of Grant-Maintained Schools

GM schools were implemented to expand the array of educational choices, and through competition, improve standards. But like reform efforts in the United States; the creation of GM schools has involved politics and controversy. GM policy was developed by the Conservative government, most of whose members including the present and previous Education Secretary, want to see GM schools replace the current LEA system. The Labour Party, on the other hand, is very opposed and vowed to discontinue the GM program if elected in April 1992. But Labour did not win control of the Houses of Parliament, so GM schools will continue.

Members of the Labour Party do not believe the Conservatives' claim that GM schools will eliminate a level of bureaucracy. Instead, they say the new policy would simply create a different bureaucracy to take the LEAs place. They believe that centralized education will not only diminish local control, but local democracy; it will be more difficult to get things accomplished, to lodge complaints and get changes accomplished with a distant administration. Moreover, many say that changing the political structures of school management does nothing to improve parents' and students' choices in education or to provide any additional money for schools.

By centralizing education, the Conservatives are assured of having control over it. GM policy is thus more likely to be successfully implemented. Many more schools in Conservative-controlled LEAs have sought GM status than in Labour controlled LEAs. Labour officials say this is due to the unpopularity of the option or a message that schools are content with the status quo. Conservatives contend that Labour makes it difficult for schools efforts to opt out, through tactics such as circulating opposition literature to parents prior to the GM vote.

To circumvent this impasse, the government released a white paper called *Choice and Diversity* in July 1992, which specifies plans for the future of GM schools, LEA powers, and the general improvement of education. The 64 page paper, written in part by Education Secretary John Patten, is called a blueprint for British Education

for the next 25 years. Reforms called for in the paper are far reaching and will be proposed as legislation in the Fall. The central idea involves the decreasing power of LEAs. Opting out will be made easier, with less interference from LEAs. A new centralized administration for GM schools is proposed, including the Funding Agency for Schools which would distribute grants to them and eventually assume responsibility for school places and student admissions. LEAs will lose much of their current control over schools, and their role will be redirected. They will continue to be responsible for special education, enforcing attendance and providing services such as student transportation. And they will assume a role in getting schools labeled "at-risk" back on track, as well as provide other assistance to schools. But those schools that the LEAs fail to improve will be closed and reopened by the Department of Education as GM schools. These will be encouraged to specialize in subject areas — a development that means the return of student selection by aptitude tests, which worries many in education.[1]

Effects of GM Schools on British Education

Despite the differences between the GM and charter schools, some of the GM schools' effects on the British education system may hold true for charter schools. With passage of Britain's Education Reform Act, a mass exodus from LEA control was expected. As of this writing, 75 percent of LEAs have had at least one school seek GM status, but only half of all LEAs now have at least one school that has attained GM status. GM status has been granted to 270 schools; the government expects that number to increase to 4000 by 1995. Of those who oppose GM schools, many believe that the only way some schools will opt-out is if the government takes so much of their money away that this becomes the only option allowing them to stay open.

Why do schools in Britain seek grant-maintained status? Over half of the comprehensive schools and one fourth of the grammar schools seeking grant-maintained status want to avoid closure or redesignation by their LEA, according to Halpin, Power & Fitz, (1991). Other schools are after autonomy, and still others perhaps see a slight financial advantage to becoming GM. This attraction will likely disappear as the number of opt out schools increases and the GM funding formula becomes the norm. As mentioned earlier, because Britain has a national curriculum, initiating a very innovative, comprehensive educational program is not a prime reason for leaving the LEA.

What is the impact of GM schools on their former LEAs? It may be too soon to say, for over half of the 45 LEAs affected by the opt out policy, only one school has opted out. But it is clear that when a school that designated to close opts out there

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[1]Indeed, many aspects of the Choice and Diversity White Papers, if not the Government's whole GM policy, are opposed by education organizations, such as the National Union of Teachers, the National Confederation of Parent Teacher Associations and the National Association or Head Teachers.

can be major ramifications for the LEA's plans to open another school or reorganize. Many LEAs have worked the inevitable departure of schools to their advantage by selling services to the GM schools, such as payroll, training, food preparation or cleaning.

Some say that the changes GM schools were supposed to cause -- to increase choice, empower staff and respond more effectively to parents needs -- have not been as great as expected. Why? For openers, opt out schools are not as different as had been proposed. Thus far, no new schools have been created through opting out, and other parts of the 1988 Education Act minimize the differences between opt out and LEA controlled schools. One reform outlined in the act designated local control (or site-based management of schools). This includes a requirement that LEAs give 85 percent of the money they receive directly to schools before taking out administrative costs. These changes increase individual school's control over their destinies, just as opting out does, but to a lesser financial extent; LEA schools are not eligible for the funding that GM schools receive. Because the DFE has rewarded GM status with large grants for start up, schools that remain with the LEA harbor some resentment toward their GM sister schools.

Researchers have found in initial analyses that parents do not consider GM schools to be a big departure from LEA schools. They contend that parents choose schools by reputation and location, not designation as GM or LEA. They find that students also do not notice a difference in their experience at GM schools, but they do notice the effects of increased financial resources, since these allow schools to purchase school materials and make repairs or other physical improvements -- which also attract more students.

GM schools and -- to a lesser extent -- LEAs are becoming more market savvy and are acquiring marketing and promotion skills. However, it remains to be seen whether the new competition is improving the quality of education as well.

Conclusion

Interest in charter schools is clearly gaining momentum across the country. Short term, this will create a broadening of the school choice concept. Long term, it may lead to school district restructuring. If adopted in a more than cursory manner, the charter concept may offer a new vision of schools and the educational services they deliver, empowerment of parents, students and teachers. However, for all the enthusiasm, charter schools also have fervent opponents. Critics are concerned that the charter school concept is not the panacea its supporters believe it is. They argue there is still no direct relationship between this type of educational alternative and school improvement. What is clear is that charter schools offer an entirely new choice, and with it, entirely new questions for legislatures, boards of education, local school boards, administrators, teachers and parents to grapple with.

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